

FISCAL NOTE

SB 4060 - HB 4030

February 21, 2008

SUMMARY OF BILL: Creates three new classes of driver licenses to be issued to qualifying applicants at no cost: a Class V license for honorably discharged veterans; a Class HON for certain surviving spouses of veterans; and a Class DIST for Tennessee National Guard members who have completed one year of satisfactory service.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$2,200,600

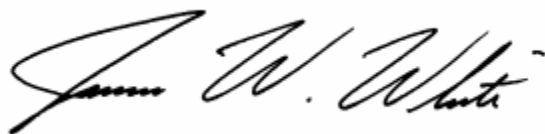
Increase State Expenditures - \$97,000/One-Time

Assumptions:

- The Department of Safety (DOS) estimates that approximately 532,000 veterans would qualify for a Class V license, approximately 18,175 individuals would qualify for a Class HON license, and approximately 14,075 individuals would qualify for a Class DIST license.
- The total number of qualified individuals is estimated to be 564,250 ($532,000 + 18,175 + 14,075 = 564,250$).
- DOS indicates that the typical issuance period is five years. Therefore, approximately 112,850 individuals would renew each year ($564,250 \text{ individuals} \div 5 \text{ years} = 112,850$).
- DOS indicates the cost to renew current driver licenses is \$19.50 each.
- The decrease to state revenue is estimated to be \$2,200,600 ($112,850 \text{ individuals} \times \$19.50 = \$2,200,575$) per year.
- One-time state expenditures for vendor design, computer programming, and software enhancements are estimated to be \$97,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/rnc

SB 4060 - HB 4030